

# National News

## Iran-Contra, Bush coverup in S&L crisis

The left-wing German daily *tageszeitung* on July 27 pointed out the role of the Iran-Contra scandal in the S&L crisis and noted Bush's role.

Washington correspondent Rolf Paasch picked up on two *Houston Post* articles and a 1989 book, *Inside Job*. He noted:

- Federal Deposit Insurance Corp. head Edwin Gray informed Reagan of grave irregularities in the S&L sector in the mid-1980s, but was removed from his job on direct orders from Don Regan in June 1987;

- Vice-chairman of the banking deregulation commission that covered up the dimensions of the S&L crisis at the time was George Bush.

- One motive for the coverup may have been evidence of connections of some S&L banks to Oliver North's Iran-Contra deals; a serious investigation of the S&L cases may soon pose the same question that emerged during the Iran-Contra hearings: Where was George?

- Investigating judges looking into 25 S&L and two bank cases were ordered "from the top" to drop their investigations.

## Tax rebellion grows in New Jersey, Massachusetts

Tax increases are provoking increasing rebellion among taxpayers in New Jersey and Massachusetts.

The "growing tax rebellion" against the \$2.8 billion tax package in New Jersey "is rapidly turning into a general protest against unresponsive government," the *New York Times* reported July 29. "I'm getting hundreds, literally hundreds of phone calls and letters," State Sen. Gabriel Ambrosio told the *Times*, and "99% of them are adamantly against the tax package."

In Massachusetts, a proposal to repeal Gov. Michael Dukakis's \$1.8 billion tax increase will be on the ballot in November. The bill would roll state fees back to their 1988 levels and cut the state income tax for

two years to repay residents for a \$740 million tax increase enacted last year.

"If the threat of bankruptcy is required to get their attention, then that's what you have to do," said Barbara Anderson, executive director of Citizens for Limited Taxation, which petitioned for the legislation along with the Massachusetts High-Tech Council, a group representing 225 companies.

Secretary of Administration and Finance Edward Lashman, however, warned that it would "mean thousands of kids not going to college, thousands of elderly being kicked out of nursing homes, thousands of families not getting the support they need with abused children."

Social services lobbyist Judy Meredith told the *Boston Globe* that "People will be dying in hidden corners all over the state. The impact of withdrawing services always means that people will die. They may die slowly, but they will die."

## Marshall says Bush is dead to him

U.S. Supreme Court Justice Thurgood Marshall said July 26 on ABC's Prime Time Live that he considered George Bush dead to him. Marshall is the last liberal member of the Supreme Court after the resignation of Justice William Brennan.

Asked to rate Bush's performance on civil rights, Marshall said, "Let me put it this way. It is said that if you can't say something good about a dead person, don't say it."

"Who?" asked host Sam Donaldson. "Bush," Marshall replied. "He's still alive, Mr. Justice," said Donaldson.

"You're damned right he is. I just don't understand what he's doing. . . . I think somebody's calling his shots. I mean this last appointment [of Supreme Court nominee David H. Souter] is the epitome of what he's been doing. I never heard of Judge Souter. I don't have the slightest idea" of Bush's motives.

"If he [Bush] came up for election I'd vote against him. No question about it. I don't think he's ever stopped" running for re-election.

## Thornburgh admits 'S&L fraud' a fraud

Attorney General Richard Thornburgh admitted to the Senate Judiciary Committee July 24 that there is "very little prospect that there is much in the way of real assets to go after" in the alleged cases of "thrift fraud."

"I would mislead you if I thought any substantial portion of the assets will be recovered. There has been an enormous depreciation of some of the assets that are recoverable," Thornburgh, who has tried to focus all blame on S&L "criminals," said. "I wish it were otherwise, but the prospect of large-scale recoveries at this point are dim."

Thornburgh said that of the \$2.5 million in restitution ordered by courts this year, only \$50 has been repaid. Of the \$3.1 million ordered in 1989, \$2,700 has been repaid; and of the \$5.8 million in 1988, only \$21,000.

## Du Pont heir is on the ballot for Congress

Lewis du Pont Smith, congressional candidate for Pennsylvania's 5th C.D., announced July 31: "Ladies and gentlemen, it is now official. As of this morning, I am on the ballot."

Smith's campaign is causing pandemonium in the "blueblood" corridors of power and throughout his district. Smith's one-minute radio ads feature the stirring theme of Beethoven's Fifth Symphony. Smith says on one ad on taxes, "On this issue, I agree with Lyndon LaRouche—President Bush, read my finger!"

Smith renewed his challenge to his opponents, Samuel Stretton (D) and the incumbent Rep. Richard Schulze (R), to join him in a series of seven "Lincoln-Douglas"-style debates in every corner of the district.

Smith released a 100,000-run leaflet entitled "'Dope, Incorporated' and Judge Lawrence Wood," which exposed Wood's role in driving former Chester County Re-

## Briefly

publican Chairman Theodore Rubino out of power in 1973, paving the way for a "blueblood" takeover of the GOP. In 1985, Wood had ruled Smith was mentally incompetent because of his political backing for LaRouche.

KYW radio reported that Wood was considering withdrawing hearing Smith's appeal of the incompetency ruling. Wood said on the air, "I suppose his point was that I was some sort of a blueblood, and I went after Rubino because he was an Italian. Everyone who knows me knows that's not true."

### Don't raise taxes, LaRouche urges Bush

Congressional candidate for Virginia's 10th C.D. Lyndon LaRouche, told President Bush on July 21 that he should not raise taxes "Because we are in a depression; and to increase taxes in a depression is both the height of economic insanity, and would be a politically suicidal act for George Bush and company in any case."

"George had promised he would not raise taxes, and people say he lied," LaRouche said. "Well, I think George should decide not to become a liar, and not raise taxes, for a very simple reason: We are now in a depression." Official government figures indicate the U.S. is in a recession and "Under these circumstances," he said, "Let the Congress suspend Gramm-Rudman."

"What George must do, is tell the truth: that we're in a deep depression.

"I'm not suggesting that George do nothing to alter taxes; yes, the tax rate on the upper brackets, and in capital gains should be increased. I repeat: The tax rates on the upper personal income brackets, and capital gains brackets, should be increased.

"However, that should not represent a net average increase in the tax rate. Because, what we put in, as added tax rates, on the one side, we must take out in investment tax credits on the other side.

"That is, people with large incomes should be encouraged by tax policy, to do what they did during the Kennedy adminis-

tration: put their savings into areas which increase employment and per capita output, physical output especially, of the U.S. economy, and be compensated for that; whereas, if they decline to make such investments, then, let the taxes fall on the upper brackets of their income at the highest rate. I think George would agree with that: We wish to increase the tax revenue base of the United States, under depression conditions. We wish to put people back to work in productive jobs, not flipping hamburgers, or pancakes, in the fast food stand. Therefore, investments in industry, in machine-tool shops, in basic economic infrastructure, utilities, and so forth, must be encouraged by copious amounts of credit at low interest rates for those kinds of investments, and by investment tax credits.

"So, let's get money going to the place where it does the most good. And, let's tax at the relatively lower rate, those citizens with larger incomes, who do the most good for their nation."

### Cosmonauts seek U.S., Soviet space effort

Soviet cosmonauts Gen. Alexei Leonov and Valeriy Kubasov, who linked up with three American astronauts in space on the Apollo/Soyuz Test Project 15 years ago, called for joint U.S.-Soviet shuttle and space station programs at the Kennedy Space Center July 26.

Previous calls for renewed U.S.-Soviet cooperation have centered around a joint manned mission to Mars, which had been raised three years ago by Gorbachov with Reagan. Kubasov stated, "We have a very good orbital station [Mir] but not a good transportation system." He asked why the U.S. should spend time designing the U.S. Space Station Freedom from scratch, when the U.S. could use the Mir. On the other hand, he said, the Soviets don't have anything like the Shuttle, and asked if the Soviets could use that.

The cosmonauts claimed that there is already money for cooperation in the Russian space program.

● **NORMAN AUGUSTINE**, the head of Martin Marietta, has been appointed to head the NASA review of long-range goals for the space program for the National Space Council, Vice President Dan Quayle announced July 25. It is supposed to present its first report in four months.

● **HENRY KISSINGER** seemed to be "socially unacceptable," shoved off into a corner during the opening ceremony of the Nixon Library in Yorba Linda, California in late July, and not allowed to accompany the dignitaries on tour of the museum, according to an attendee.

● **LYNDON LAROCHE**, congressional candidate for Virginia's 10th C.D., had the second-highest amount of out-of-state contributions (99%) for House races according to a July 31 *Washington Post* article about campaign contributions from out-of-state contributors.

● **THE PRO-LIFE** movement is expanding their activities to include the fight against euthanasia, according to the July 31 *New York Times*. Society for the Right to Die spokesman Doron Weber told the *Times*: "The pro-life groups . . . seem to exercise a disproportionate amount of power."

● **TAX BREAKS** to NCNB bank holding company totaling \$950 million allow it to engage in predatory pricing, according to an *American Banker* article reprinted in the July 25 *Investor's Daily*, "The government has created a monster," says Chris Williston, president of the Texas Independent Bankers Association.

● **THE INTERIOR** Department will hold regional public meetings seeking comments on "the national goal of 'no net loss' of wetlands." Meetings are scheduled for: Bismarck, N.D., Aug. 17; Peoria, Ill., Aug. 20; New Orleans, La. Aug. 27; Olympia, Wash. Sept. 5; Anchorage, Alaska Sept. 7; and Providence, R.I. Sept. 17.